



**JOSHUA BASIN WATER DISTRICT**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
WEDNESDAY, JUNE 6, 2018, at 6:30 PM  
61750 CHOLLITA ROAD, JOSHUA TREE, CA 92252

**AGENDA**

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **DETERMINATION OF A QUORUM**
4. **APPROVAL OF AGENDA**
5. **PUBLIC COMMENT**  
This is the time set aside for public comment on any District-related matter not appearing on the agenda. Government Code prohibits the Board from taking action on these items, but they may be referred for future consideration. Please state your name and limit your comments to 3 minutes.
6. **CONSENT CALENDAR**  
Matters on the Consent Calendar are considered routine in nature and will be enacted in a single motion without discussion. Any Board member or member of the public may request that an item be removed from the Consent Calendar and acted on separately.
  - Approve the Draft Minutes of May 16, 2018, Regular Meeting of the Board of Directors
  - 2<sup>nd</sup> Quarter Ending 12/31/2017 Financial Report (reviewed by Finance Committee at May 23, 2018 meeting)
7. **UPDATE OF LOW-INCOME ASSISTANCE PROGRAM DEVELOPMENT-**  
Authorize General Manager to initiate a one-year pilot program at the cost of \$6,550.
8. **18/19 BUDGET** – Recommend that the Board receive for information, and approve all or a portion of the proposed budget.
9. **DISTRICT GENERAL COUNSEL REPORT** –
10. **GENERAL MANAGER REPORT** –
11. **DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS AND FUTURE AGENDA ITEMS** –
  - Public Outreach Consultant – Kathleen Radnich
  - Finance Committee – May 23, 2018 – Vice President Johnson & Director Floen
  - Mojave Water Agency Board of Directors – May 24, 2018 – Director Floen

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12. **FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES**

- Mojave Water Agency Technical Advisory Committee (TAC) – June 7, 2018, at 10:00 a.m. – President Luckman
- Finance Committee – June 13, 2018, 9:00 a.m. – Vice President Johnson and Director Floen
- Water Resources & Operations Committee – June 13, 2018, 10:30 a.m. – President Luckman and Director Hund
- Mojave Water Agency Board of Directors – June 14, 2018, at 9:30 a.m. – Director Hund

13. **CLOSED SESSION -**

At this time the Board will go into Closed Session pursuant to Government Code Section 54957 (b) (1) Public Employee Performance Evaluation of the General Manager and;

Pursuant to Government Code Section 54957.6 to consult with the Board's designated representatives (Ad-Hoc Negotiation Committee Vice President Johnson and Director Unger) with regard to potential compensation adjustments/increases to the District's General Manager.

**RETURN TO OPEN SESSION**

14. **ADJOURNMENT -**

INFORMATION

The public is invited to comment on any item on the agenda during a discussion of that item. Any person with a disability who requires accommodation to participate in this meeting should telephone Joshua Basin Water District at (760) 366-8438, at least 48 hours prior to the meeting to request a disability-related modification or accommodation.

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet, are available for public inspection in the District's office located at 61750 Chollita Road, Joshua Tree, California 92252 during normal business hours.

JOSHUA BASIN WATER DISTRICT  
REGULAR MEETING MINUTES  
WEDNESDAY, MAY 16, 2018

CALL TO ORDER/PLEDGE OF ALLEGIANCE

President Luckman called the meeting to order at 6:30 p.m.

ROLL CALL

Directors Present – President Luckman, Vice President Johnson, Director Floen, Director Hund, and Director Unger.

STAFF PRESENT

Curt Sauer, GM, Susan Greer, AGM, Mark Ban, AGM – Operations, Sarah Johnson, HR Manager, Keith Faul, GIS Coordinator, Beverly Waszak, Executive Assistant

CONSULTANTS PRESENT

Gary Sturdivan, Sturdivan Emergency Management Consulting, Inc.

APPROVAL OF AGENDA

Vice President Johnson made a motion to approve the Agenda. Director Hund seconded the motion.

MSC' (Johnson/Hund) motion carried by the following vote

Ayes: Floen, Hund, Johnson, Luckman, and Unger

Noes: None

Absent: None

Abstain: None

PUBLIC COMMENT – None

CONSENT CALENDAR

- Approve Draft Minutes of April 18, 2018

Vice President Johnson made a motion to approve the Draft Minutes of April 18, 2018, and Director Floen seconded the motion. Director Unger abstained due to her absence at the April 18, 2018 Board meeting.

MSC' (Johnson/Floen) motion carried by the following vote:

Ayes: Floen, Hund, Johnson, and Luckman

Noes: None

Absent: None

Abstain: Unger

Vice President Johnson made a motion to approve the Draft Minutes of April 25, 2018, April 30, 2018, and Resolution No. 18-985 (adding the Reserve Fund Policy to the Admin Code); Director Floen seconded the motion.

MSC' (Johnson/Floen) motion carried by the following vote:

Ayes: Floen, Hund, Johnson, Luckman, and Unger

Noes: None

Absent: None

Abstain: None

UPDATE ON HAZARD MITIGATION PLAN – Gary Sturdivan, Sturdivan Emergency Management Consulting, Yucca Valley, CA, gave a brief update on the progress of the Hazard Mitigation Plan.

Public Comments – None

No motion was made; the update was for information only.

RISK TRANSFER INSURANCE – Sarah Johnson, HR Manager/Contract Administrator, gave a brief overview to the Board on how risk transfer works and how it affects the District.

Public Comments – None

No motion was made; the update was for information only.

WARREN VALLEY BASIN BOUNDARY MODIFICATION REQUEST -

GM Sauer gave an informational account of why the Department of Water Resources (DWR) needs to change the map in order for it to be depicted correctly as the narrative that is currently on file. In order to do this we need a letter from the Board stating that we support this change.

PUBLIC COMMENT –

Al Marquez, Joshua Tree stated that there is documentation from 2003 & 2004 on the boundaries of the Warren Basin aquifer and the Joshua Basin aquifer. These lines were determined by USGS just east of the Joshua Tree Retreat Center. The boundary was right there separating the Joshua Tree aquifer and the Warren Valley Basin aquifer and I don't understand why now they want to change it.

PUBLIC COMMENT CLOSED-

GM Sauer clarified that the narrative is correctly written but the map is incorrectly depicted. This change allows the map to correctly correlate to the narrative.

Vice President Johnson made a motion to approve the letter to the Department of Water Resources changing the Warren Valley Basin Boundary Modification Request. Director Hund seconded the motion.

MSC' (Johnson/Hund) motion carried by the following vote:

Ayes: Floen, Hund, Johnson, Luckman, and Unger

Noes: None

Absent: None

Abstain: None

DISTRICT GENERAL COUNSEL REPORT – None

GENERAL MANAGER REPORT – GM Sauer showed a slide of the JBWD trailer/water tank/generator that was stolen from the Well 16 site. He then yielded to AGM Greer to give the Board an update on the different loans that are available. AGM Greer gave a brief presentation of options for borrowing money. Which included the different loans available from USDA, CSDA, and Water Boards (CWSRF). A brief Q&A period followed with the Board.

PUBLIC COMMENT-

Al Marquez, Joshua Tree commented that in the past the JBWD has had bond funds that the rate payers were paying on and a couple of years ago the bond fund was paid off. Now the community is not in favor of bond funds because with the rate increases that they have had recently they are not in favor of bond funds. If the District wants to go in the direction of loans, the Board should look closer into the USDA loan instead of a bond fund.

Steve Whitman, Joshua Tree asked AGM Greer what LAIF pays us now.

AGM Greer responded 1.3%.

Steve Whitman, Joshua Tree, asked if AGM Greer is proposing that we pay 300% more to an outside agency than what we receive on our invested funds. He finds it a little ridiculous and he has looked at the spreads on what you receive from banks, money markets, and what you pay to credit cards. This is the worst he has seen in a long time.

AGM Ban gave the Board updates on the following:

- Disadvantaged Community Grant through Department of Water Resources for CR6 planning will be changed to a CIP (Capital Improvement Plan) Grant.
- Two Water Smart Grants each for \$300,000 (1) mainline replacement, (2) meter replacement.
- Carl Moyer Grant that replaces equipment that is no longer smog worthy.
- Well 14

GM Sauer updated the Board on the following:

- Informed the Board that all week is Peace Officer week and thanked all peace officers for their service and also remembered the fallen peace officers.
- Remodel completed this weekend
- Conservation was 21% for April; Cumulative is 18%
- Organization Assessment update
- A thank you letter from Wiefels Funeral Home

#### DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS & FUTURE AGENDA ITEMS-

President Luckman commented on the ACWA Spring Conference she attended in Sacramento, CA.

Director Unger commented on the MWA Board meeting she attended on April 26, 2018.

Director Hund mentioned a newspaper article about a Riverside County Congressman who wants to ban lawsuits challenging California water tunnels.

#### FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES –

President Luckman informed everyone of all upcoming meetings.

#### ADJOURNMENT

Director Unger made a motion to adjourn the Board of Directors meeting at 7:40 p.m. Director Floen seconded.

MSC<sup>1</sup> (Johnson/Floen) motion carried by the following vote:

Ayes: Floen, Hund, Johnson, and Luckman

Noes: None

Absent: Unger

Abstain: None

Respectfully submitted:

Curt Sauer  
GM and Board Secretary



JOSHUA BASIN WATER DISTRICT  
2nd QUARTER ENDING 12/31/17 FINANCIAL REPORT SUMMARY

CASH FLOW

\$993K water bill payments collected during the quarter  
\$1.1M property taxes/assessments collected  
\$23K fees collected for 4 meters sold during quarter  
\$176K spent on capital projects  
Total cash INcreased \$935K during the quarter due to property tax receipts  
Cash flow is sufficient to meet current budgetary needs

CASH BALANCES

Capital spending is minimal and property tax payments are being received  
Both Emergency and Opportunity Funds are at their target balances  
Total cash is increased \$935K over last quarter, and increased \$601K from one year ago  
Total cash balance is \$10M, including restricted funds

PROPERTY TAX AND ASSESSMENT COLLECTIONS

Overall property tax collection rate is almost identical to prior year  
Current year collections are more than last year  
CMMAD collections, both current and prior, are more than last year

BOARD REPORT

Operating Revenues are 70% of budget  
Water Revenues are 56% of budget  
Total Expenses are 40% of budget  
Total Operating Revenues exceed Total Operating Expenses by \$1.9M

CONSUMPTION STATISTICS

Usage for the 12 months ending 12/31/17 is 1% less than prior year  
The highest users are the typical accounts - hospital, multi-unit housing, schools and parks  
PLUS a new owner/customer with a large bill, 820 units, not a leak



2nd Quarter Ending 12/31/17 CASH FLOW EXPLANATION

Beginning Cash Balance 10/1/17 \$9,083,294

**Source of Funds (Revenues)**

Total cash received during the quarter from all sources 2,418,271

Water bill and related payments of \$992,631 received from ratepayers

Property Tax/Assessment Payments of \$1,141,160 received

HDMC Funding of \$24,854 (Reimb \$21K, OH \$3K)

Meter Installation/Capacity Fees of \$22,927 received  
4 new meters

Interest Revenue of \$23,423 received

**Use of Funds (Expenses)**

Total use of cash during the quarter for all purposes 1,483,695

Capital costs during the quarter - \$176,134

- Well 14 Rehab
- Organizational Assessment
- Water model
- Chromium 6 Study

Other Use of Funds costs indicated are average and typical

Ending Cash Balance 12/31/17 \$10,017,870

Total cash increased during the quarter by \$934,575



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 Website: [www.jbwtd.com](http://www.jbwtd.com) • Customer Service: [customerservice@jbwd.com](mailto:customerservice@jbwd.com)

**CASH FLOW**

October - December 2017

<b>FUND BALANCE AT BEGINNING OF PERIOD</b>		\$ 9,083,293.80
<b>FUNDS PROVIDED BY:</b>		
Water Sales	\$ 964,339.26	
Grant Revenues	213,275.01	
Turn On/Special Services Revenue/Misc	6,480.04	
Consumer Deposits	16,150.05	
HDMC WWTP Operations Reimbursement	21,490.95	
HDMC WWTP Operations Overhead Revenue	3,363.16	
Project Deposits	5,661.66	
Property Taxes Received - G.D.	221,953.98	
Property Taxes Received - ID #2	76.79	
Standby Collections - Prior	147,205.54	
Standby Collections - Current	615,284.34	
Property Taxes Received - CMM	156,639.47	
Interest	-	
Water Capacity Charges/Connection Fees	16,252.00	
Wastewater Capacity Charges	-	
Hzone Reimbursement Fees	-	
Meter Installation Fees	6,675.00	
Interest	23,423.37	
<b>TOTAL SOURCE OF FUNDS</b>	<b>23,423.37</b>	<b>2,418,270.62</b>
<b>FUNDS USED FOR:</b>		
Debt Service	\$ -	
Capital Additions	176,133.82	
Operating Expenses	732,640.31	
<b>Total Disbursements</b>	<b>908,774.13</b>	
Bank Transfer Payroll	334,981.99	
Employee Funded Payroll Taxes & CALPERS	154,609.32	
Employer Funded Payroll Taxes & CALPERS	64,884.12	
Employee Funded 457 Transfer	13,310.36	
Employer Funded 457 Annual Transfer	4,338.16	
Bank Fees/Charges	2,797.33	
<b>Total Transfers</b>	<b>574,921.28</b>	
<b>TOTAL USE OF FUNDS</b>	<b>1,483,695.41</b>	<b>1,483,695.41</b>
<b>FUND BALANCE AT END OF PERIOD</b>		<b>\$ 10,017,869.02</b>





CASH BALANCES 12/31/17

	Current 12/31/17 <u>TOTAL</u>	LEGALLY RESTRICTED	BOARD DESIGNATED	UNRESTRICTED	Last Quarter 9/30/2017 <u>TOTAL</u>	One Year Ago 12/31/16 <u>TOTAL</u>
Petty Cash	600			600	600	600
Change Fund	1,500			1,500	1,500	1,500
General Fund	411,189			411,189	450,037	361,460
Payroll Fund	5,000			5,000	5,000	4,925
LAIF						
Investment Fund	3,717,682			3,717,682	2,904,639	3,560,436
Emergency Fund	1,000,000		1,000,000		1,000,000	1,000,000
Equip & Tech Reserve	487,908		487,908		487,908	375,422
Opportunity Fund	2,000,000		2,000,000		2,000,000	2,000,000
Well & Booster Reserve	382,788		382,788		382,788	274,628
Building Reserve	78,040		78,040		350,143	51,000
Consumer Deposits	344,107	344,107			155,893	394,622
Water Capacity	172,569	172,569			701,149	108,518
Wastewater Capacity	703,053	703,053			78,040	611,342
CMM						
Redemption	466,235	466,235			316,382	425,147
Reserve	244,160	244,160			246,184	244,754
Prepayment	3,039	3,039			3,031	3,014
	<u>10,017,870</u>	<u>1,933,163</u>	<u>3,948,736</u>	<u>4,135,971</u>	<u>9,083,294</u>	<u>9,417,368</u>

Total cash is increased \$935,000 from last quarter.  
 Total cash is increased \$601,000 from one year ago.



Property Tax and Assessment Revenues and Collections as of 12/31/17

	2017/2018			2016/2017		
	<u>Revenue</u>	Y-T-D <u>Collections</u>	% <u>Collected</u>	<u>Revenue</u>	Y-T-D <u>Collections</u>	% <u>Collected</u>
ID#2	185	185	100%	952	952	100%
General District Taxes	441,402	232,192	53%	423,104	224,914	53%
CMM Assessment District Prior	256,241	132,777 40,960	52%	256,887	125,115 27,909	49%
Standby Assessments Prior	1,154,601	642,812 194,282	56%	1,149,921	607,264 227,262	53%
<b>TOTAL</b>	<b>1,852,429</b>	<b>1,243,208</b>	<b>67%</b>	<b>1,830,864</b>	<b>1,213,416</b>	<b>66%</b>

General District Taxes and Standby Assessments are unrestricted District funds and can be used for any legal purpose.

CMM Assessment District funds are legally restricted; we collect funds to pass through to a third party.

Note 47% increase to CMMAD prior collections; typically relates to an increase in property sales.

ID#2 funds are pay-back to the District, after early payoff of the debt in 2013; no assessments on tax rolls since 14/15.



**2nd Quarter Ending 12/31/17 BOARD REPORT SUMMARY**

As of December 31, 2017, we are through 50% of the fiscal year

**REVENUES**

Total Operating Revenues are 70% of budget. 70% one year ago.  
 Water Revenues are 56% of budget. 57% one year ago.  
 HDMC 9% of budget - only first quarter billing prepared  
 Property Tax Revenues are 102% of budget.  
 Other Revenues are 55% of budget.  
 Unbudgeted development fees of \$59K collected representing 8 meters sold Y-T-D

**EXPENSES**

	% of budget	
Production	38%	Haven't paid for recharge water costs yet
Distribution	44%	Costs tracking appropriately
Customer Service	38%	Costs tracking appropriately
Administration	43%	Costs tracking appropriately
Engineering	51%	Costs tracking appropriately
Finance	43%	Costs tracking appropriately
Human Resources	40%	Costs tracking appropriately
Bonds & Loans	38%	Costs tracking appropriately
HDMC Tmt. Plant	42%	Costs appropriate; billing in arrears
Benefits Allocated	44%	Costs tracking appropriately
Field Allocated	41%	Costs tracking appropriately
Office Allocated	51%	Costs tracking appropriately
<hr/>		
<b>TOTAL</b>	<b>40%</b>	

**SUMMARY**

Total Operating Revenues exceed Total Operating Expenses by \$1,977,560

Total Operating Revenues are 70%, \$3.9M

Total Operating Expenses are 35%, \$1.9M



JOSHUA BASIN WATER DISTRICT

Consumption Statistics as of 12/31/17

Consumption - 12 months ending:	CURRENT 12/31/2017	PRIOR 1 12/31/2016	PRIOR 2 12/31/2015
CCF	515,289	520,409	500,183
Gallons	385,436,172	389,265,932	374,136,884
Acre Feet	1,183	1,195	1,148
Change/PY	-0.98% decrease	4.04% increase	
Change 2015 - 2018			3.02% decrease
<i>Change does not correlate to State's Conservation Mandate.</i>			

CONSUMPTION RANKING - TOP TEN - Quarter Ending 12/31/17

<u>Ranking</u>	<u>Account Name</u>	<u>Consumption (CCF)</u>
1	Hi Desert Medical Center (hospital)	3,911
2	Quail Springs Village Apartments	3,099
3	Joshua Tree Parks & Recreation	1,813
4	Morongo Unified School District (3 locations)	1,564
5	Lazy H Mobilehome Park	1,183
6	Hi Desert Medical Center (continuing care)	952
7	Joshua Tree Laundry	919
8	Yucca Trails Apartments	885
9	Pepper - customer sold property	820
10	Housing Partners, Inc. (multit-unit complex)	767
		<hr/> 15,913

Breakdown of Top Ten Users by type:

Hospital/Medical	4,863
Housing (multi-unit)	5,934
Public agency	3,377
Commercial	919
Customer	820
	<hr/> 15,913

JOSHUA BASIN WATER DISTRICT  
STAFF REPORT

Meeting of the Board of Directors

June 6, 2018

Report to: President and Members of the Board

Prepared by: Curt Sauer *CS*

TOPIC: Update on Low Income Assistance Program development

RECOMMENDATION: Authorize General Manager to initiate a one year pilot program at a cost of \$6,550

ANALYSIS:

Low Income Rate Assistance programs exist in several districts throughout the state. These programs are funded with non-water revenues, such as cell tower lease income. It is possible to fund such a program at JBWD through property tax revenues, or fees associated with delinquent accounts, such as late fees and lock off fees.

Property tax revenues are about \$425,000 each year. Fees collected associated with delinquent accounts average \$75,000 per year. Annual costs for similar programs at Coachella Valley and Mission Springs range from \$2,000 to \$5,000.

How the programs work:

Customers may receive an application by coming to the water district, or online thru United Way of the Desert, OR thru Salvation Army in Yucca Valley, on Tuesdays and Thursdays from 10 AM to 3 PM.

The program will be fully administered by United Way of the Desert. Customers apply for assistance thru United Way, either in person or online. Once they have proven their income level, and have been qualified by United Way, the agency notifies JBWD customer service, and their account is credited.

Employees and the public can donate to the program through United Way.

We recommend the JBWD Board fund this one year pilot program at \$6,650. That will allow for up to 120 successful applicants (\$6,000), plus United Way overhead costs \$50 per year + 10 percent of each successful applicant (\$5/application).

I recommend the Board approve this one year pilot program.

Fiscal Impact: \$6,650

**EXHIBIT 1**

Joshua Basin Water District (JBWD) has partnered with United Way of the Desert (United Way) to provide a H2O - Help to Others Assistance Program (Program). A credit of \$50 is available to qualified residential customers once in a 12-month period. Assistance is provided subject to funding availability.

**Who Qualifies for Assistance?**

To receive assistance, a residential customer must make a request through United Way. This Program is only available to residential customers. Customers must meet the following requirements in order to receive assistance:

- The JBWD bill must be in the name of the residential customer seeking assistance.
- The address on the bill must be the customer’s primary residence.
- Customers may apply at the Salvation Army Yucca Valley by appointment or within the designated walk-in times or online via The United Way website: <https://www.unitedwayofthedesert.org/help2others>. Customers can call United Way at (760) 323-2731 with any questions.
- In order to be eligible for the Program, United Way will perform the following calculation: The income of all members of Customer’s household, from all eligible income sources, shall be totaled to determine Customer’s total combined gross annual household income. In order to be eligible for the Program, Customer’s total combined gross annual household income must be at or below the amounts shown in the following income guidelines:

<b>Maximum Household Income *</b>	
<b>Number of Persons in Household</b>	<b>Total Combined Gross Annual Household Income</b>
1	up to \$24,280
2	up to \$32,920
3	up to \$41,560
4	up to \$50,200
5	up to \$58,840
6	up to \$67,480
Each additional person	\$8,640

**DRAFT**

- Gross annual household income includes all taxable and nontaxable revenues from all people living in the home. It includes, but is not limited to the following sources:
  - Wages
  - Salaries
  - Interest and dividends
  - Spousal and child support payments
  - Public assistance payments
  - Social Security and pensions
  - Housing and military subsidies
  - Rental income
  - Self-employment income
  - All employment-related, non-cash income

### **How to Apply for Assistance**

If you would like to apply for the Program, please call United Way at (760) 323-2731 during normal business hours or apply online at <https://www.unitedwayofthedesert.org/online-application> . You will be given information on how to make an appointment to apply in person and provide all the information requested. Funding is intended to assist with the cost of monthly water bills and may not be used for deposits, closed accounts or accounts sent to collection. Funds are available on a first-come-first-served basis.

### **How is the JBWD H2O Customer Assistance Program funded?**

The Program is funded year-round by the Joshua Basin Water District. Charitable donations can be sent directly to United Way of the Desert, designated for the “JBWD H2O Customer Assistance Program.” Anyone may make a tax-deductible donation to United Way of the Desert, P.O. Box 13210, Palm Desert, CA 92255, or via credit card by visiting <https://www.unitedwayofthedesert.org/> and clicking “Donate”. Please call United Way at (760) 323-2731 for more information.

Thank you for your support!

**DRAFT**

**Memorandum of Understanding  
Between  
United Way of the Desert and Joshua Basin Water District  
For  
The Development and Administration of an  
H2O - Help to Others Assistance Program for Water District Customers**

This Memorandum of Understanding is entered into between United Way of the Desert (United Way) and Joshua Basin Water District (JBWD), (the Parties) for the purpose of the creation of an H2O - Help to Others Assistance Program (Program) for the customers of JBWD.

**Whereas**, in these times of unprecedented economic uncertainty, many residents are experiencing greater pressure to make ends meet;

**Whereas**, the formation of the Program will help residents pay for a most basic and life-sustaining service - water;

**Whereas**, a joint endeavor between United Way and JBWD provides the most efficient approach desired by the Parties;

**Now, Therefore**, it is mutually understood and agreed as follows:

**Section 1: Guidelines**

1.1 JBWD will solicit/provide the "seed money" to implement this Program. United Way will be the fiscal agent to manage the funds and will also develop and administer the Program. United Way shall identify eligible JBWD customers, process customer applications, and perform other activities necessary to administer the Program. United Way shall comply with all applicable laws, rules and regulations including, but not limited to, non-discrimination laws and regulations.

1.2 United Way will be responsible for the screening of applicants and will determine who qualifies for the Program from guidelines established by the Parties, and mutually agreed by the Parties. Those guidelines are attached as Exhibit 1. The guidelines are subject to revisions from time to time upon the mutual consent of the Parties.

1.3 United Way will provide financial reports as needed to JBWD which includes details as to the number of participants, amounts expended and any other information regarding the development and administration of the Program.



1.4 United Way will receive \$50.00 per year plus 10% of applicant credits from Program contributions for the management and administration of the Program.

1.5 It is hereby acknowledged and agreed that United Way may elect to subcontract, or otherwise delegate, to third party nonprofit entities ("Third Parties") the performance of the screening activities set forth in Exhibit 1. United Way shall remain solely responsible to JBWD for performance of this MOU. JBWD shall not be required to pursue any performance or remedies from any such Third Party. United Way shall indemnify and hold harmless JBWD from any liability that may arise from errors or omissions of Third Parties.

**Section 2: General Provisions Governing the MOU**

2.1 The MOU may be terminated by either Party, with or without cause, upon 45 days prior notice in writing to the other Party.

2.2 Each Party shall use its best efforts and work diligently and in good faith for the satisfactory performance and expeditious completion of the terms of this MOU.

2.3 This MOU may be executed in any number of counterparts, each of which shall be deemed original, but all of which, when taken together, shall constitute one and the same instrument.

2.4 United Way and its officers, employees and agents shall act at all times as an independent contractor and shall not be deemed to be officers, employees or agents of JBWD.

In witness whereof, the Parties have executed this MOU as of the day and year indicated on the first page of this MOU.



Kristal Granados  
Executive Director  
United Way of the Desert



General Manager  
Joshua Basin Water District

JOSHUA BASIN WATER DISTRICT  
MEETING AGENDA REPORT

Regular Meeting of the Board of Directors

June 6, 2018

Report to: President and Board of Directors

Prepared by: Susan Greer

TOPIC:  
18/19 BUDGET DISCUSSION

RECOMMENDATION:  
Discuss for information only.

ANALYSIS:  
Draft Operating, Supplemental, and Capital budgets are attached. The Supplemental Budget includes operating expenses that are for new programs, services, or staff, so as not to skew the operating budget increases for ongoing expenses. The Capital Budget also includes costs for the proposed capital replacement construction crew.

In total, including the revenues to be generated because of the rate increase, our Operating Budget has a \$1,204,254 surplus. Since the Supplemental Budget is also operating expense, we need to deduct those \$251,458 expenses from the Operating Budget surplus, leaving a net Operating Budget surplus of \$952,796.

Our Capital Budget reflects a deficit of (\$1,310,643) primarily the result of the proposed CIP work, and the reason that we are discussing borrowing money.

We will discuss both the budget and borrowing money options in detail at the meeting. Ideally, we will approve at least the Operating Budget by 6/30/18, but there is no legal requirement to do so.

FISCAL IMPACT:  
Discussion

# 2018–2019 BUDGET

May 2018 DRAFT  
**Joshua Basin  
Water District**



Fiscal Year Ending  
June 30, 2019





**AT-A-GLANCE SUMMARY  
FISCAL YEAR 2018 -2019**

**SUMMARY**

**2018-2019  
PROPOSED**

**Net Revenue  
(Deficit)**

<b>OPERATING</b>	<b>TOTAL REVENUES</b>	<b>6,691,553</b>	
	<b>TOTAL EXPENSES</b>	<b><u>(5,487,298)</u></b>	
	<b>NET REVENUES (DEFICIT)</b>		<b>1,204,254</b>
<b>SUPPLEMENTAL</b>	<b>TOTAL REVENUES</b>	<b>0</b>	
	<b>TOTAL EXPENSES</b>	<b><u>(251,458)</u></b>	<b>952,796</b>
	<b>NET REVENUES (DEFICIT)</b>		<b>(251,458)</b>
<b>CAPITAL</b>	<b>TOTAL REVENUES</b>	<b>1,447,960</b>	<b>2,400,756</b>
	<b><u>EXPENSES</u></b>		
	NET CHROMIUM (Revenues less Expenses)	<b>0</b>	<b>2,400,756</b>
	TOTAL CAPITAL - ADMINISTRATION	<b>(149,960)</b>	<b>2,250,795</b>
	TOTAL CAPITAL - OPERATIONS	<b>(708,000)</b>	<b>1,542,795</b>
	TOTAL CAPITAL IMPROVEMENT PLAN (CIP)	<b>(1,095,791)</b>	<b>447,004</b>
	TOTAL CIP EQUIPMENT	<b><u>(1,757,647)</u></b>	<b>(1,310,643)</b>
	<b>TOTAL EXPENSES</b>	<b>(3,711,399)</b>	
<b>TOTAL NET REVENUES / (DEFICIT)</b>		<b><u>(1,310,643)</u></b>	<b>(1,310,643)</b>



**PROPOSED BUDGET - SUMMARY**  
**FISCAL YEAR 2018 -2019**

**OPERATING SUMMARY**

**REVENUES**

TOTAL OPERATING REVENUES

2017-2018 Approved	2018-2019 PROPOSED	% of Rev/Exp
5,775,299	6,691,553	100%

**EXPENSES**

TOTAL PRODUCTION	1,324,824	1,163,467	17%
TOTAL DISTRIBUTION	1,005,416	985,001	15%
TOTAL CUSTOMER SERVICE	488,849	492,813	7%
TOTAL ADMINISTRATION	1,007,592	1,031,329	15%
TOTAL ENGINEERING	236,778	231,822	3%
TOTAL FINANCE	532,648	561,945	8%
TOTAL HUMAN RESOURCES	134,388	165,466	2%
TOTAL BONDS & LOANS	473,604	493,744	7%
TOTAL HDMC TREATMENT	163,255	132,500	2%
TOTAL RESERVE & OTHER FUNDING - OPERATIONS	247,686	229,212	3%
<b>TOTAL EXPENSES</b>	<b>5,615,040</b>	<b>5,487,298</b>	<b>82%</b>
<b>NET REVENUES / (DEFICIT)</b>	<b>160,259</b>	<b>1,204,254</b>	

**SUPPLEMENTAL SUMMARY**

**REVENUES**

NET REVENUE FROM OPERATIONS

2018-2019  
PROPOSED

1,204,254

**EXPENSES**

TOTAL EXPENSES

*Capital/O.A. Costs & Standby Assess. Audit*

251,458

NET REVENUES / (DEFICIT)

952,796

**CAPITAL SUMMARY**

**REVENUES**

NET REVENUE FROM OPERATIONS / SUPPLEMENTAL

2018-2019  
PROPOSED

952,796

NET CHROMIUM (Revenues less Expenses)

0

RESERVE & OTHER FUNDING - CAPITAL

1,447,960

TOTAL CAPITAL REVENUES

2,400,756

100%

**EXPENSES**

NET CHROMIUM (Revenues less Expenses)

0

0%

TOTAL CAPITAL - ADMINISTRATION

*Codification, Studies, Fileserver*

149,960

6%

TOTAL CAPITAL - OPERATIONS

*700 of Recharge & 1,000 Meters*

708,000

29%

TOTAL CAPITAL IMPROVEMENT PLAN (CIP)

*Design/Install 23,370 lf Pipe + 40,000 lf Design*

1,095,791

46%

TOTAL CAPITAL - CIP EQUIPMENT

*Pipeline Equip w/ 10+ yr. life*

1,757,647

73%

TOTAL EXPENSES

3,711,399

155%

NET REVENUES / (DEFICIT)

(1,310,643)





**PROPOSED OPERATING BUDGET  
FISCAL YEAR 2018 -2019**

**REVENUES**

**OPERATING REVENUES**

		2017-2018 Approved	2018-2019 PROPOSED
01-40-41010-FI	METERED WATER SALES	1,818,000	2,219,000
01-40-41012-FI	ALLOW FOR CAAP/BILLING ADJ	0	(5,000)
01-40-41015-FI	BASIC FEES	1,463,292	1,903,000
01-40-41016-FI	BASIC FEES - LOCKED/PULLED	296,986	298,000
01-40-41030-FI	PRIVATE FIRE PROTECTION SERV.	22,271	22,000
01-40-41040-FI	SPECIAL SERVICES REVENUE	115,225	141,000
01-40-41045-FI	HDMC WWTP OPERATIONS REIMB REVENUE	163,255	132,500
01-40-41046-FI	HDMC WWTP OVERHEAD/FEES REIMB REVENUE	36,732	29,813
01-40-42100-FI	STANDBY REVENUE-CURRENT	1,140,297	1,139,000
01-40-43000-FI	PROPERTY TAX REVENUE - G.D.	428,000	437,000
01-40-43020-FI	ASSESSMENT REVENUE - CMM	242,556	256,240
01-40-47000-FI	MISCELLANEOUS REVENUE	11,656	20,000
01-40-47002-FI	INTEREST REVENUE - G.D.	37,028	99,000
01-40-47010-FI	GAIN/LOSS ON SALE OF ASSETS	0	0
01-40-47020-FI	CHANGE IN MARKET VALUE	0	0
01-40-47030-FI	DEMO GARDEN SALES (SALES TAXABLE)	0	0
01-40-47040-FI	DEMO GARDEN DONATIONS	0	0
<b>TOTAL OPERATING REVENUES</b>		<b>5,775,299</b>	<b>6,691,553</b>

2018-19 AS PER RATE STUDY; PRIOR YEAR ADJUSTED.

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**EXPENSES**

**PRODUCTION**

		2017-2018 Approved	2018-2019 PROPOSED
01-01-5-01-01118-FI	PRODUCTION SALARY	327,757	354,201
01-01-5-01-02205-RL	WATER TREATMENT EXPENSE	11,000	5,000
01-01-5-01-02210-RL	SMALL TOOLS - PRODUCTION	10,000	7,000
01-01-5-01-03102-GM	WATER RECHARGE PURCHASE	0	0 *
01-01-5-01-03105-GM	WATER SUPPLY MONITORING	96,925	40,000
01-01-5-01-03108-RL	RECHARGE MAINT/REPAIR	25,000	3,000
01-01-5-01-03111-D/P	EQUIPMENT RENTAL	6,200	5,000
01-01-5-01-03115-RL	PUMPING PLANT REPAIR & MAINT.	100,000	35,000
01-01-5-01-03120-RL	TANK & RESERVOIR MAINTENANCE	45,000	58,000
01-01-5-01-03207-RL	GENERATOR (LARGE) REPAIR & MAINTENANCE	27,000	16,000
01-01-5-01-04004-RL	LABORATORY SERVICES	28,400	13,000
01-01-5-01-06105-RL	POWER FOR PUMPING (ELECTRIC)	330,000	350,000
01-01-5-01-06501-RL	TELEMETRY / SCADA EXPENSE	15,000	2,500
01-01-5-01-07002-AGM	RIGHT OF WAY	16,000	16,204
01-01-5-01-98001-FI	EE BENEFITS ALLOCATED	224,459	201,871
01-01-5-01-98002-FI	FIELD EXPENSES ALLOCATED	62,083	56,691
<b>TOTAL PRODUCTION</b>		<b>1,324,824</b>	<b>1,163,467</b>

\* WATER RECHARGE IN CAPITAL > 418,000

**DISTRIBUTION**

01-02-5-02-01130-FI	DISTRIBUTION SALARY	451,766	485,427
01-02-5-02-02211-JC	SMALL TOOLS - DISTRIBUTION	19,500	18,000
01-02-5-02-02920-FI	INVENTORY-OVER & SHORT	7,445	6,800
01-02-5-02-03106-JC	MAINLINE AND LEAK REPAIR	90,000	80,000
01-02-5-02-03130-JC	CROSS CONNECTION CONTROL EXP	3,000	1,500
01-02-5-02-03206-JC	TRACTOR REPAIR / MAINT.	9,000	2,000
01-02-5-02-04005-JC	UTILITY LOCATING (DIG ALERT)	14,000	15,000
01-02-5-02-98001-FI	EE BENEFITS ALLOCATED	321,665	293,813
01-02-5-02-98002-FI	FIELD EXPENSES ALLOCATED	89,040	82,461
<b>TOTAL DISTRIBUTION</b>		<b>1,005,416</b>	<b>985,001</b>

**CUSTOMER SERVICE**

01-03-5-03-01107-FI	FIELD SALARY - CUSTOMER SERVICE	65,741	68,528
01-03-5-03-01114-FI	OFFICE SALARY - CUSTOMER SERV.	122,499	131,927
01-03-5-03-03107-AGM	METER SERVICE REPAIR	93,921	25,000 *
01-03-5-03-07010-AGM	BAD DEBT	31,680	40,000
01-03-5-03-07015-AGM	CUSTOMER SERVICE - OTHER	37,449	46,800
01-03-5-03-98001-FI	EE BENEFITS ALLOCATED	94,224	127,356
01-03-5-03-98002-FI	FIELD EXPENSES ALLOCATED	4,786	12,347
01-03-5-03-98003-FI	OFFICE EXPENSE ALLOCATED	38,549	40,855
<b>TOTAL CUSTOMER SERVICE</b>		<b>488,849</b>	<b>492,813</b>

\* METER REPL IN CAPITAL > 250,000

**PROPOSED OPERATING BUDGET**  
**FISCAL YEAR 2018 -2019**  
 Continued

**ADMINISTRATION**

		2017-2018 Approved	2018-2019 PROPOSED
01-04-5-04-01108-FI	ADMINISTRATION SALARY	322,982	308,907
01-04-5-04-01115-FI	SAFETY SALARY	8,640	8,640
01-04-5-04-01121-FI	DIRECTORS SALARY	31,253	32,642
01-04-5-04-01210-GM	DIRECTORS / C.A.C. EDUCATION	10,000	16,000
01-04-5-04-04007-GM	LEGISLATIVE ADVOCACY	0	2,000
01-04-5-04-07008-EXA	BUSINESS EXPENSE	6,700	13,000
01-04-5-04-07014-GM	PUBLIC INFORMATION	69,240	74,805
01-04-5-04-07016-EXA	MEMBERSHIP, DUES & SUBSCRIPT	27,000	29,142
01-04-5-04-07020-GM	WATER CONSERVATION EXPENSE	24,000	30,000
01-04-5-04-07025-GM	LEGAL SERVICES - NON-PERSONNEL	80,000	80,000
01-04-5-04-07218-GM	SAFETY EXPENSE (EQUIP & SUPPLIES)	15,000	20,000
01-04-5-04-07219-GM	EMERGENCY PREPAREDNESS	5,000	5,000
01-04-5-04-07401-AGM	PROPERTY INSURANCE	72,800	72,800
01-04-5-04-98001-FI	EE BENEFITS ALLOCATED	224,459	227,118
01-04-5-04-98003-FI	OFFICE EXPENSE ALLOCATED	110,518	111,275
<b>TOTAL ADMINISTRATION</b>		<b>1,007,592</b>	<b>1,031,329</b>

**ENGINEERING**

01-05-5-05-01109-FI	ENGINEERING/GIS/IT SALARY	93,133	95,973
01-05-5-05-02305-ENG	MAPS/DRAFTING SUPPLIES	1,216	4,000
01-05-5-05-04008-GM	ENGINEERING CONTRACT SERVICES	45,000	30,000
01-05-5-05-04013-ENG	ENG-TRAINING, MAPPING & OTHER	0	2,000
01-05-5-05-98001-FI	EE BENEFITS ALLOCATED	64,731	67,030
01-05-505-98003-FI	OFFICE EXPENSE ALLOCATED	32,699	32,819
<b>TOTAL ENGINEERING</b>		<b>236,778</b>	<b>231,822</b>

**FINANCE**

01-06-5-06-01101-FI	FINANCE SALARY	248,876	257,221
01-06-5-06-04009-AGM	ACCOUNTING/AUDIT SERVICES	24,600	24,975
01-06-5-06-07001-AGM	FINANCE - OTHER	22,315	21,600
01-06-5-06-98001-FI	EE BENEFITS ALLOCATED	157,408	173,271
01-06-5-06-98003-FI	OFFICE EXPENSE ALLOCATED	79,449	84,878
<b>TOTAL FINANCE</b>		<b>532,648</b>	<b>561,945</b>

**HUMAN RESOURCES**

01-07-5-07-01102-FI	PERSONNEL SALARY	40,745	39,466
01-07-5-07-01215-HR	EMPLOYEE TRAINING	24,598	22,500
01-07-5-07-01217-HR	EMPLOYEE EDUCATION	0	12,000
01-07-5-07-01905-HR	EMPLOYMENT RECRUITING EXPENSE	5,000	6,000
01-07-5-07-01910-HR	LABOR LEGAL FEES	30,000	30,000
01-07-5-07-01915-HR	PERSONNEL - OTHER	10,440	15,700
01-07-5-07-98001-FI	EE BENEFITS ALLOCATED	17,674	26,700
01-07-5-07-98003-FI	OFFICE EXPENSE ALLOCATED	5,931	13,099
<b>TOTAL HUMAN RESOURCES</b>		<b>134,388</b>	<b>165,466</b>

**BONDS & LOANS**

01-09-5-09-08115-FI	CMM PRINCIPLE	107,000	111,000
01-09-5-09-08120-FI	MORONGO BASIN PIPELINE	219,595	219,881
01-09-5-09-08125-FIO	CHROM 6 LOAN PRINCIPLE	0	18,800
01-09-5-09-08215-FI	INTEREST EXPENSE - CMM	136,058	133,153
01-09-5-09-08320-FI	GENERAL TAX COLLECTION CHARGE	653	910
01-09-5-09-08325-FI	ADMINISTRATION - CMM	10,299	10,000
<b>TOTAL BONDS &amp; LOANS</b>		<b>473,604</b>	<b>493,744</b>



PROPOSED OPERATING BUDGET  
FISCAL YEAR 2018 -2019  
Continued

**HDMC TREATMENT** *(offset by revenue)*

		2017-2018 Approved	2018-2019 PROPOSED
01-20-5-20-03101-DWR	HDMC: OTHER	66,435	40,000
01-20-5-20-04100-DWR	HDMC: CONTRACTED OPERATION EXP	76,220	85,000
01-20-5-20-06100-DWR	HDMC: PUMPING POWER	20,600	7,500
<b>TOTAL HDMC TREATMENT</b>		<b>163,255</b>	<b>132,500</b>

**BENEFITS ALLOCATED TO DEPTS.**

01-51-5-51-01211-FI	COMPENSATED LEAVE	238,825	250,681
01-51-5-51-01216-FI	CAFETERIA PLAN EXPENSE	448,800	562,650
01-51-5-51-01220-FI	GROUP INSURANCE EXPENSE	11,555	15,609
01-51-5-51-01225-FI	WORKERS COMPENSATION INSURANCE	64,927	58,759
01-51-5-51-01230-FI	RETIREMENT: PERS Classic 2%@55	159,588	208,173
01-51-5-51-01231-FI	RETIREMENT: PERS Tier 2 2%@62	19,803	23,376
01-51-5-51-01232-FI	RETIREMENT: PERS - TEMP	2,796	5,645
01-51-5-51-01233-FI	RETIREMENT - 457 CONTRIBUTION	15,050	10,000
01-51-5-51-01305-FI	PAYROLL TAXES	143,276	174,298
01-51-5-51-98000 -FI	ALLOCATED EXPENSES - BENEFITS	(1,104,620)	(1,117,158)
01-51-5-51-98050-FI	WIP EXPENSE CLEARING (BENEFITS ALLOC TO WIP)	0	(192,033)
<b>UNALLOCATD BALANCE OF BENEFIT COSTS</b>		<b>0</b>	<b>0</b>

**FIELD ALLOCATED TO DEPTS.**

01-52-5-52-01240-D/P	UNIFORMS (FIELD)	8,800	13,600
01-52-5-52-02206-D/P	SHOP EXPENSE - COMBINED	15,100	15,000
01-52-5-52-02212-D/P	SMALL TOOLS EXPENSE - COMBINED	10,800	3,500
01-52-5-52-03205-D/P	TOOL / EQUIP REPAIR	0	1,650
01-52-5-52-03905-D/P	BUILDING REPAIR/MAINT-SHOP/SITE	17,900	10,000
01-52-5-52-05005-D/P	FUEL-VEHICLES	30,000	25,000
01-52-5-52-05010-D/P	AUTO EXPENSE - FIELD	25,000	20,000
01-52-5-52-06305-ENG	COMMUNICATIONS	28,309	24,000
01-52-5-52-07009-D/P	REGULATORY-PERMITS, FEES, CERTS	20,000	38,750
01-52-5-52-98000-FI	ALLOCATED EXPENSES - FIELD	(155,909)	(151,500)
<b>UNALLOCATD BALANCE OF FIELD COSTS</b>		<b>0</b>	<b>0</b>

**OFFICE ALLOCATED TO DEPTS**

01-53-5-53-01405-HR	TEMPORARY LABOR FEES	20,000	10,000
01-53-5-53-02105-EXA	OFFICE SUPPLIES	38,740	46,766
01-53-5-53-02107-EXA	OFFICE EQUIP & MAINT.	0	9,360
01-53-5-53-02110-EXA	POSTAGE	30,481	35,152
01-53-5-53-03906-AGM	BUILDING REPAIR/MAINT - OFFICE	20,000	20,000
01-53-5-53-04015-AGM	COMPUTER SOFTWARE & SUPPORT	86,995	88,120
01-53-5-53-05010-AGM	AUTO EXPENSE - OFFICE	5,943	5,943
01-53-5-53-06205-AGM	TELEPHONE AND UTILITIES	64,986	67,585
01-53-5-53-98000-FI	ALLOCATED EXPENSES - OFFICE	(267,145)	(282,926)
<b>UNALLOCATD BALANCE OF OFFICE COSTS</b>		<b>0</b>	<b>0</b>





**PROPOSED SUPPLEMENTAL BUDGET  
FISCAL YEAR 2018 -2019**

2018-2019 PROPOSED
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**NET REVENUE FROM OPERATIONS**

01-43-5-99-00310-FI	NET REVENUE / (DEFICIT) FROM OPERATIONS	<u>1,204,254</u>
	<b>TOTAL NET REVENUE FROM OPERATIONS</b>	<b><u>1,204,254</u></b>

**SUPPLEMENTAL (NEW) COSTS**

**MULTI-DEPARTMENTAL**

XEROX COLOR COPIER (CHOLLITA RD) LEASE	4,406
GEOVIEWER MAINT / PURCHASE IN CAPITAL	29,000
RISK MGMT COI TRACK (DUES & SUBSCRIPT)	8,650
PARCEL AUDIT (LEGAL)	5,000
PARCEL AUDIT	<u>45,000</u>

**TOTAL SUPPLEMENTAL MULTI-DEPARTMENTAL COSTS** 92,056

**ORGANIZATIONAL ASSESSMENT / CIP SUPPORT - SALARIES & BENEFITS**

1A) OA POS: BENE-3/4 YR PRODUCTION TECH	28,592
1A) OA POS: SAL-3/4 YR PRODUCTION TECH	52,669
1B) OA POS: BENE-3/4 YR CONTR/PROCURE TECH	26,492
1B) OA POS: SAL-3/4 YEAR CONTR/PROCURE TECH	<u>51,649</u>

**TOTAL SUPPLEMENTAL SALARY & BENEFIT COSTS** 159,402

**TOTAL SUPPLEMENTAL (NEW) COSTS** 251,458

**NET REVENUES / (DEFICIT)** 952,796

**SUMMARY**

2018-2019 PROPOSED
-----------------------

**REVENUES**

**NET REVENUE FROM OPERATIONS** 1,204,254

**EXPENSES**

**TOTAL EXPENSES** 251,458

**NET REVENUES / (DEFICIT)** 952,796



**PROPOSED CAPITAL BUDGET  
FISCAL YEAR 2018 -2019**

		2018-2019 PROPOSED	Net Revenue (Deficit)
<b>REVENUES</b>			
<b>NET REVENUE FROM OPERATIONS / SUPPLEMENTAL</b>			
01-43-5-99-00310-FI	NET REVENUE / (DEFICIT) FROM OPERATIONS	952,796	
	<b>TOTAL NET REVENUE FROM OPERATIONS / SUPPLEMENTAL</b>	<b>952,796</b>	952,796
<b>NET CHROMIUM (REVENUES less EXPENSES)</b>			
01-4C-46401-FIC	CHROM 6 LOAN PROCEEDS	94,000	
01-7C-7-70-71003-RL	CP#A14014: CHROMIUM STUDY	(94,000)	
	<b>NET CHROMIUM (REVENUES less EXPENSES)</b>	<b>-</b>	952,796
<b>RESERVE &amp; OTHER FUNDING - CAPITAL</b>			
01-43-5-99-00012-FIC	=BUILDING RES (CAP Used)	50,000	
01-43-5-99-00112-FIC	=EQUIP&TECH RES (CAP Used)	122,960	
01-43-5-99-00251-FIC	=STUDIES/REPORTS RES (CAP Used)	25,000	
01-42-5-99-00152-FI	=METER REPL RES (OP/CAP Used)	250,000	
01-43-5-99-00400-FI	RESERVE DRAWDOWN	1,000,000	
	<b>TOTAL RESERVE &amp; OTHER FUNDING - CAPITAL</b>	<b>1,447,960</b>	2,400,756
	<b>TOTAL CAPITAL REVENUES</b>	<b>2,400,756</b>	
<b>CAPITAL - ADMINISTRATION</b>			
01-70-7-70-74013-AGM	CP#A16003: CODIFICATION OF RECORDS	50,000	
01-70-7-70-74022-AGM	-CP # : C.S. COUNTER ERGONOMIC REDESIGN	20,000	
01-70-7-70-74024-AGM	-CP # : INTERIOR LIGHTS @ OFFICE	10,000	
01-70-7-70-74024-AGM	-CP # : STRATEGIC PLAN	25,000	
01-70-7-70-74026-ENG	-CP # : FILESERVER REPLACEMENT	25,960	
01-70-7-70-74027-ENG	CP # : CABLING IN SERVER ROOM	12,000	
01-70-7-70-74028-EXA	-CP# : REPL COMP FOR KEITH/GIS	7,000	
	<b>TOTAL CAPITAL - ADMINISTRATION</b>	<b>149,960</b>	2,250,795

PROPOSED CAPITAL BUDGET  
FISCAL YEAR 2018 -2019  
Continued

**CAPITAL - OPERATIONS**

	2018-2019 PROPOSED	Net Revenue (Deficit)
01-01-5-01-03102-GM WATER RECHARGE PURCHASE	418,000	*
01-03-5-03-03107-AGM METER SERVICE REPAIR	250,000	*
01-70-7-70-72328-DWR ~CP #__:VEHICLE REPLACEMENT- (1) 18/19 (2) 19/20	40,000	
<b>TOTAL CAPITAL - OPERATIONS</b>	<b>708,000</b>	<b>1,542,795</b>
	<i>*FROM OPERATIONS</i>	

**CAPITAL IMPROVEMENT PLAN (CIP)**

01-70-7-70-71022-RL ~CP#A18002: SCADA IMPROVEMENTS - PH 1	40,000	
01-80-7-70-71023-RL CP #__: WELL 14 MCC REPLACEMENT	73,000	
01-80-7-70-72013-JC CP #__: CIP-23,370 LF WATERMAIN REPL (DESIGN)	40,000	
01-80-7-70-72014-JC CP #__: CIP-23,370 LF WATERMAIN REPL (INSTALL)	867,791	
01-80-7-70-72015-JC CP #__: CIP-40,000 LF WATERMAIN REPL (DESIGN)	75,000	
<b>TOTAL CAPITAL IMPROVEMENT PLAN (CIP)</b>	<b>1,095,791</b>	<b>447,004</b>

**CAPITAL - CIP EQUIPMENT**

01-70-7-70-72312-JC ~CP #__: METROTECH LOCATOR	10,000	
01-81-7-70-72313-DWR CP #__: DUMP TRUCK	106,806	
01-81-7-70-72314-DWR CP #__: 2000 GAL WATER TRUCK	118,384	
01-81-7-70-72315-DWR CP #__: JOHN DEERE 410 RUBBER TIRE BACKHOE	139,320	
01-81-7-70-72316-DWR CP #__: JOHN DEERE 710 RUBBER TIRE BACKHOE	194,830	
01-81-7-70-72317-DWR CP #__: JOHN DEERE 544 RT FRONT END LOADER	217,702	
01-81-7-70-72318-DWR CP #__: JOHN DEERE 672 RT MOTOR GRADER	350,433	
01-81-7-70-72319-DWR CP #__: 20' DUMP & PIPE HAULER TRUCK	109,178	
01-81-7-70-72320-DWR CP #__: BROOM (ENCLOSED CAB)	39,242	
01-81-7-70-72321-DWR CP #__: ASPHALT ROLLER	26,152	
01-81-7-70-72322-DWR CP #__: ASPHALT SPREADER	45,001	
01-81-7-70-72323-DWR CP #__: 3500 DODGE SERVICE TRUCKS	160,000	
01-81-7-70-72325-DWR CP #__: ASPHALT ZIPPER	110,000	
01-70-7-70-74030-DWR CP #__: SHOP OFFICE TRAILER	45,000	
01-70-7-70-72326-DWR ~CP #__: SHOP REMODEL	20,000	
01-81-7-70-75002-ENG CP#A14003: SCANNER/PLOTTER/COPIER	12,000	
01-81-7-70-75009-DWR CP #__: GEOVIEWER	23,600	
<b>TOTAL CIP EQUIPMENT</b>	<b>1,757,647</b>	<b>(1,310,643)</b>
<b>TOTAL EXPENSES</b>	<b>3,711,399</b>	
<b>NET REVENUES / (DEFICIT)</b>	<b>(1,310,643)</b>	

**SUMMARY**

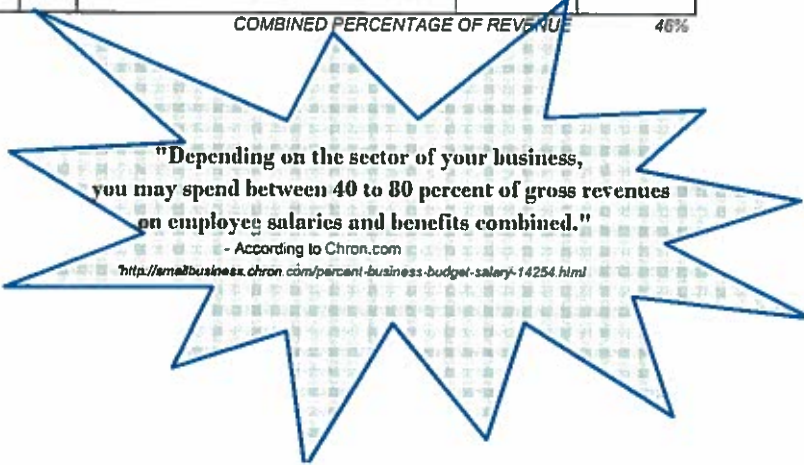
	2018-2019 PROPOSED	Net Revenue (Deficit)
<b><u>REVENUES</u></b>		
NET REVENUE FROM OPERATIONS / SUPPLEMENTAL	952,796	952,796
NET CHROMIUM (Revenues less Expenses)	-	952,796
RESERVE & OTHER FUNDING - CAPITAL	1,447,960	2,400,756
<b>TOTAL CAPITAL REVENUES</b>	<b>2,400,756</b>	
<b><u>EXPENSES</u></b>		
NET CHROMIUM (Revenues less Expenses)	-	2,400,756
TOTAL CAPITAL - ADMINISTRATION	149,960	2,250,795
TOTAL CAPITAL - OPERATIONS	708,000	1,542,795
TOTAL CAPITAL IMPROVEMENT PLAN (CIP)	1,095,791	447,004
TOTAL CIP EQUIPMENT	1,757,647	(1,310,643)
<b>TOTAL EXPENSES</b>	<b>3,711,399</b>	
<b>NET REVENUES / (DEFICIT)</b>	<b>(1,310,643)</b>	

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SALARY & BENEFITS BUDGET COMPARISON at Top Step

2017-2018 mid-term PAYROLL BUDGET			
# Positions	Description	Salaries	Benefits
<b>PRODUCTION (3.5 positions)</b>			
0.5	Director of Water Resources & Operations		
1.0	Production Supervisor		
2.0	Production II		
<b>DISTRIBUTION (5.5 positions)</b>			
0.5	Director of Water Resources & Operations		
1.0	Maintenance Supervisor		
2.0	Maintenance II		
2.0	Maintenance I		
<b>CUSTOMER SERVICE (4 positions)</b>			
2.0	Customer Service / Cashier		
2.0	Field Service Tech		
<b>ENGINEERING (2 Positions)</b>			
1.0	Development/GIS Coordinator		
1.0	Regulatory Compliance Analyst / prev. Sr. Admin. Assistant		
<b>ADMINISTRATION (3.5 Positions)</b>			
1.0	General Manager		
0.5	Assistant G.M. / Controller		
1.0	Executive Assistant		
0.5	Safety Officer - Part Time	3/4 Year Funding	
0.5	Human Resources/Contract Administrator		
<b>FINANCE (4 Positions)</b>			
0.5	Assistant G.M. / Controller		
1.0	Accountant		
1.0	Accounting Technician		
1.0	Accounts Receivable		
0.5	General Office - Part Time	Unified	
<b>PERSONNEL (0.5 Positions)</b>			
0.5	Human Resources/Contract Administrator		
<b>DIRECTORS (5 Positions)</b>			
1.0	Director		
1.0	Director		
1.0	Director		
1.0	Director		
1.0	Director		
<b>28.0</b>	<b>TOTAL (28)</b>	<b>\$ 1,951,257</b>	<b>\$ 1,104,620</b>

COMBINED PERCENTAGE OF REVENUE 46%





SALARY & BENEFITS BUDGET COMPARISON at Top Step (Continued)

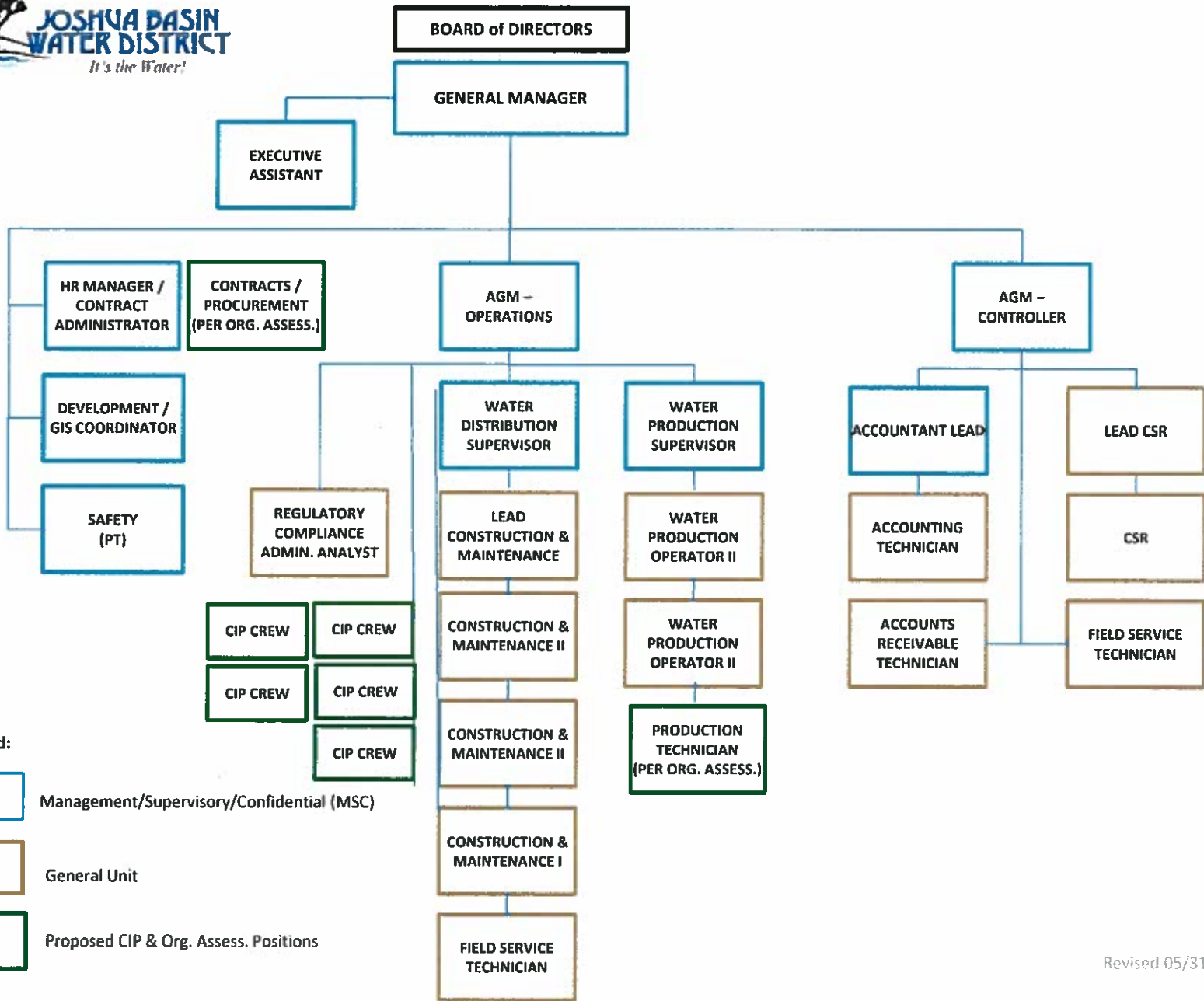
2018 - 2019 PAYROLL BUDGET						
# Operations	# Administration	# Board	Description	Salaries	Benefits	
			<b>PRODUCTION (3.5 positions)</b>			
0.5			AGM-Ops / prev. DWRO			
1.0			Production Supervisor			
2.0			Production II			
			<b>DISTRIBUTION (5.5 positions)</b>			
0.5			AGM-Ops / prev. DWRO			
1.0			Maintenance Supervisor			
2.0			Maintenance II			
2.0			Maintenance I			
			<b>CUSTOMER SERVICE (4 positions)</b>			
	2.0		Customer Service / Cashier			
	2.0		Field Service Tech			
			<b>ENGINEERING (2 Positions)</b>			
0.5	0.5		Development/GIS Coordinator			
1.0			Regulatory Compliance Analyst / prev. Sr. Admin. Assistant			
			<b>ADMINISTRATION (3.5 Positions)</b>			
0.5	0.5		General Manager			
	0.5		Assistant G.M. / Controller			
	1.0		Executive Assistant			
0.5			Safety Officer - Part Time			
	0.5		Human Resources/Contract Administrator			
			<b>FINANCE (4 Positions)</b>			
	0.5		Assistant G.M. / Controller			
	1.0		Accountant			
	1.0		Accounting Technician			
	1.0		Accounts Receivable			
	0.5		General Office - Part Time			
			<b>PERSONNEL (0.5 Positions)</b>			
	0.5		Human Resources/Contract Administrator			
			<b>DIRECTORS (5 Positions)</b>			
		1.0	Director			
		1.0	Director			
		1.0	Director			
		1.0	Director			
		1.0	Director			
13.5	9.5	5.0	<b>TOTAL (28)</b>	\$ 2,010,455	\$ 1,117,158	

COMBINED PERCENTAGE OF REVENUE 47%

PROPOSED NEW POSITIONS IN SUPPORT OF CAPITAL IMPROVEMENT / ORG. ASSESS. / METER REPL.						
			<b>ORGANIZATIONAL ASSESSMENT (SUPPLEMENTAL)</b>			
1.0			Operations Tech / Trainee			3/4 Year Funding
0.5	0.5		Procurement / Contracts Technician	\$104,138	\$55,084	
			<b>CAPITAL IMPROVEMENT CREW POSITIONS (CAPITAL)</b>			3/4 Year Funding
1.0			CIP CREW #1: Equip Operator - Lead			
1.0			CIP CREW #2: Pipe Layer II/Equip. Operator			
1.0			CIP CREW #3: Pipe layer I			
1.0			CIP CREW #4: Laborer			
1.0			CIP CREW #5: Laborer	\$247,470	\$147,599	
20.0	10.0	5.0	<b>TOTAL (35)</b>	\$2,362,063	\$1,319,841	

COMBINED PERCENTAGE OF REVENUE 55%





**Legend:**

Management/Supervisory/Confidential (MSC)

General Unit

Proposed CIP & Org. Assess. Positions

Revised 05/31/18

**CASH FLOWS FOR BORROWING \$3M**

**MOST FIGURES PER RATE STUDY TABLE 2A ON PAGES A-9 AND A-10**

**YELLOW NUMBERS DIFFER FROM RATE STUDY**

**NO LOAN OPTION**

	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
BEGINNING FUND RESERVES	6,592,000	6,844,000	7,423,000	5,598,000	5,364,000	5,096,000	5,205,000	5,418,000	5,527,000
REVENUES	6,515,000	7,132,000	7,714,000	8,276,000	9,014,000	9,959,000	10,891,000	11,629,000	12,175,000
SRF GRANTS - CR6	0	0	200,000	10,000,000	0	0	0	0	0
SRF LOAN PROCEEDS	0	0	1,510,000	0	4,000,000	0	0	0	0
O&M EXPENSES	5,543,000	5,833,000	6,135,000	6,456,000	7,122,000	7,799,000	8,119,000	8,452,000	8,798,000
M B PIPELINE DEBT	220,000	220,000	220,000	0	0	0	0	0	0
ANNUAL PROJECT FUNDING	250,000	250,000	250,000	250,000	250,000	258,000	266,000	274,000	282,000
CR6 SRF LOAN REPAYMENT	0	0	0	0	0	275,000	275,000	275,000	275,000
CAPITAL IMPROVEMENT	0	0	2,684,000	1,554,000	1,660,000	1,518,000	2,018,000	2,519,000	2,821,000
METER REPLACEMENT	250,000	250,000	250,000	250,000	250,000	0	0	0	0
CR6 PROJECT	0	0	1,710,000	10,000,000	4,000,000	0	0	0	0
ENDING FUND RESERVES	6,844,000	7,423,000	5,598,000	5,364,000	5,096,000	5,205,000	5,418,000	5,527,000	5,526,000
PER RATE STUDY	6,269,000	6,286,000	5,598,000	5,364,000	5,096,000	5,205,000	5,418,000	5,527,000	5,526,000
DIFFERENCE, Rate study less	575,000	1,137,000	0	0	0	0	0	0	0

Initial cost = \$1.8M for equipment, \$1.1M for inventory/crew - TOTAL = \$2.9M, escalated for inflation equals \$3.3M in 3 years

**CASH FLOWS FOR BORROWING \$3M**

**MOST FIGURES PER RATE STUDY TABLE 3A ON PAGES A-14 AND A-15**

**YELLOW NUMBERS DIFFER FROM RATE STUDY**

**CSDA LOAN - 15 YEARS, 3.92%**

	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>	<u>21/22</u>	<u>22/23</u>	<u>23/24</u>	<u>24/25</u>	<u>25/26</u>	<u>26/27</u>
BEGINNING FUND RESERVES	6,592,000	6,575,684	6,899,368	6,518,052	6,590,736	6,629,420	6,795,104	7,064,788	7,230,472
REVENUES	6,515,000	7,145,000	7,742,000	8,297,000	9,029,000	9,966,000	10,898,000	11,635,000	12,179,000
DEBT PROCEEDS	3,000,000	0	0	0	0	0	0	0	0
SRF GRANTS -CR6	0	0	200,000	10,000,000	0	0	0	0	0
SRF LOAN PROCEEDS	0	0	1,510,000	0	4,000,000	0	0	0	0
O&M EXPENSES	5,543,000	5,833,000	6,135,000	6,456,000	7,222,000	7,799,000	8,119,000	8,452,000	8,798,000
M B PIPELINE DEBT	220,000	220,000	220,000	0	0	0	0	0	0
ANNUAL PROJECT FUNDING	250,000	250,000	250,000	250,000	250,000	258,000	266,000	274,000	282,000
DEBT SERVICE	268,316	268,316	268,316	268,316	268,316	268,316	268,316	268,316	268,316
CR6 SRF LOAN REPAYMENT	0	0	0	0	275,000	275,000	275,000	275,000	275,000
CAPITAL IMPROVEMENT	3,000,000	0	1,000,000	1,000,000	1,000,000	1,200,000	1,700,000	2,200,000	2,500,000
METER REPLACEMENT	250,000	250,000	250,000	250,000	250,000	0	0	0	0
CR6 PROJECT	0	0	1,710,000	10,000,000	4,000,000	0	0	0	0
ENDING FUND RESERVES	6,575,684	6,899,368	6,518,052	6,590,736	6,629,420	6,795,104	7,064,788	7,230,472	7,286,156
PER RATE STUDY	6,269,000	6,286,000	5,598,000	5,364,000	5,096,000	5,205,000	5,418,000	5,527,000	5,526,000
DIFFERENCE, Rate study less	306,684	613,368	920,052	1,226,736	1,533,420	1,590,104	1,646,788	1,703,472	1,760,156

**EXPLANATION OF DIFFERENCE**

Rate Study includes \$500,000 funding for meter replacement, now \$250,000. Over 5 years, this difference is \$1,250,000.

Rate study includes \$325,000 for debt service; CSDA rate for 15 years is \$268,316. Over 9 years, this difference is \$566,840.

Reserve Fund Balance is \$306,684 per year more than Rate Study projection, for years 1-5, then \$56,684 more for years 6-9.

Initial cost = \$1.8M for equipment, \$1.1M for inventory/crew - TOTAL = \$2.9M

**CASH FLOWS FOR BORROWING \$3M - NOT INCREASING RESERVES MORE THAN RATE STUDY**

**MOST FIGURES PER RATE STUDY TABLE 3A ON PAGES A-14 AND A-15**

**YELLOW NUMBERS DIFFER FROM RATE STUDY**

**CSDA LOAN - 15 YEARS, 3.92%**

	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>	<u>21/22</u>	<u>22/23</u>	<u>23/24</u>	<u>24/25</u>	<u>25/26</u>	<u>26/27</u>
BEGINNING FUND RESERVES	6,592,000	6,269,000	6,286,000	5,598,000	5,364,000	5,096,000	5,205,000	5,418,000	5,527,000
REVENUES	6,515,000	7,145,000	7,742,000	8,297,000	9,029,000	9,966,000	10,898,000	11,635,000	12,179,000
DEBT PROCEEDS	3,000,000	0	0	0	0	0	0	0	0
SRF GRANTS -CR6	0	0	200,000	10,000,000	0	0	0	0	0
SRF LOAN PROCEEDS	0	0	1,510,000	0	4,000,000	0	0	0	0
O&M EXPENSES	5,543,000	5,833,000	6,135,000	6,456,000	7,222,000	7,799,000	8,119,000	8,452,000	8,798,000
M B PIPELINE DEBT	220,000	220,000	220,000	0	0	0	0	0	0
ANNUAL PROJECT FUNDING	250,000	250,000	250,000	250,000	250,000	258,000	266,000	274,000	282,000
DEBT SERVICE	268,316	268,316	268,316	268,316	268,316	268,316	268,316	268,316	268,316
CR6 SRF LOAN REPAYMENT	0	0	0	0		275,000	275,000	275,000	275,000
CAPITAL IMPROVEMENT	3,306,684	306,684	1,306,684	1,306,684	1,306,684	1,256,684	1,756,684	2,256,684	2,556,684
METER REPLACEMENT	250,000	250,000	250,000	250,000	250,000	0	0	0	0
CR6 PROJECT	0	0	1,710,000	10,000,000	4,000,000	0	0	0	0
ENDING FUND RESERVES	6,269,000	6,286,000	5,598,000	5,364,000	5,096,000	5,205,000	5,418,000	5,527,000	5,526,000
PER RATE STUDY	6,269,000	6,286,000	5,598,000	5,364,000	5,096,000	5,205,000	5,418,000	5,527,000	5,526,000
DIFFERENCE	0	0	0	0	0	0	0	0	0

Initial cost = \$1.8M for equipment, \$1.1M for inventory/crew - TOTAL = \$2.9M